

Title 9-B: FINANCIAL INSTITUTIONS
Chapter 83: FINANCIAL MANAGEMENT

Table of Contents

Part 8. CREDIT UNIONS.....

Section 831. SHARE CAPITAL AND SURPLUS..... 3

Section 832. GUARANTY FUND..... 3

Section 833. DIVIDENDS AND INTEREST..... 4

Section 834. FISCAL YEAR..... 5

Section 835. REPORTS TO SUPERINTENDENT (REPEALED)..... 5

Section 836. INSURANCE OF SHARES..... 5

Maine Revised Statutes
Title 9-B: FINANCIAL INSTITUTIONS
Chapter 83: FINANCIAL MANAGEMENT

§831. SHARE CAPITAL AND SURPLUS

1. Amount and par value of share capital.

A. The capital of a credit union shall be unlimited in amount and shall consist of shares which may be subscribed to and paid for in such manner as the bylaws may prescribe. [1975, c. 500, §1 (NEW) .]

B. The par value of such shares may be established by the credit union in its bylaws, in an amount not less than \$5 per share, provided that par values in excess of \$5 per share shall be in multiples of \$5. [1983, c. 51, §3 (AMD) .]

C. The maximum amount of shares that may be held by any one member or nonmember as provided in section 817 must be established from time to time by resolution of the board of directors. [1997, c. 108, §10 (AMD) .]

[1997, c. 108, §10 (AMD) .]

2. Share transactions. The provisions of sections 422-A, 427, 428 and 429 are applicable to shares or accounts in a credit union.

[2003, c. 322, §19 (AMD) .]

3. Surplus. "Surplus" or "total surplus" of a credit union means the sum of its guaranty fund, undivided profits and other surplus and reserve accounts.

[1975, c. 500, §1 (NEW) .]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1983, c. 51, §3 (AMD). 1997, c. 108, §§10,11 (AMD). 2003, c. 322, §19 (AMD).

§832. GUARANTY FUND

1. Requirement. Every credit union shall establish and maintain a guaranty fund in the manner set forth in subsections 2 and 3. Such fund shall provide security against losses and contingencies, and all losses not otherwise absorbed shall be charged against it.

[1975, c. 500, §1 (NEW) .]

2. Payments to fund. Before the payment of a dividend, there must be set apart into the guaranty fund a percentage of the gross income of the credit union that was accumulated during the preceding dividend period, in the following manner:

A. For credit unions in operation less than 4 years or having assets of less than \$500,000, 10% of gross income until the guaranty fund equals 7% of the total outstanding loans and risk assets of the credit union and then 5% of the gross income until the guaranty fund equals 10% of the total outstanding loans and risk assets; or [2003, c. 322, §20 (AMD) .]

B. For credit unions in operation more than 4 years and having assets of \$500,000 or more, 10% of gross income until the guaranty fund equals 4% of the total outstanding loans and risk assets of the credit union and then 5% of the gross income until the guaranty fund equals 6% of the total outstanding loans and risk assets. [2003, c. 322, §20 (AMD) .]

The superintendent may waive all or part of the payments required under this subsection for good cause shown by a credit union.

[2003, c. 322, §20 (AMD) .]

3. Restoration of fund. Whenever the guaranty fund shall fall below the requirements of subsection 2, it shall be replenished by regular contributions in such amounts as required by subsection 2.

[1979, c. 134, §2 (RPR) .]

4. Superintendent's authority. The superintendent shall have authority to define which assets of a credit union are to be deemed "risk" assets for purposes of this section; and the superintendent may vary the amount of the fund required under this section for individual credit unions as may be necessary for the protection of the credit union and its members.

[1975, c. 500, §1 (NEW) .]

5. Rulemaking. The superintendent may adopt rules to implement this section or vary the amount of the fund required under this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[2003, c. 322, §21 (NEW) .]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1979, c. 134, §§1,2 (AMD). 1979, c. 663, §54 (AMD). 2003, c. 322, §§20,21 (AMD).

§833. DIVIDENDS AND INTEREST

1. Time for payment; method.

[2003, c. 322, §22 (RP) .]

1-A. Time for payment of dividends; method. At such intervals as the board of directors may authorize and after provision for the guaranty fund established pursuant to section 832, the board of directors may declare a dividend to be paid at different rates on different types of shares, at different rates and maturity dates in the case of share certificates and at different rates on different types of share draft accounts. Dividends credited may be accrued on various types of shares, share certificates and share draft accounts as authorized by the board of directors.

[2003, c. 322, §23 (NEW) .]

2. Rates on different accounts.

[2003, c. 322, §24 (RP) .]

3. Maximum dividend rate.

[1981, c. 501, §35 (RP) .]

3-A. Dividend rate.

[2003, c. 322, §25 (RP) .]

4. Tax exemption. Shares in a credit union organized pursuant to this Part shall be exempt from taxes; and no taxes or charges, except as otherwise provided, shall be levied against them.

[1975, c. 500, §1 (NEW) .]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1981, c. 501, §§35,36 (AMD). 1997, c. 398, §L8 (AMD). 2003, c. 322, §§22-25 (AMD).

§834. FISCAL YEAR

The fiscal year of a credit union shall end as of the close of business on the last business day of December. [1975, c. 500, §1 (NEW).]

SECTION HISTORY

1975, c. 500, §1 (NEW).

§835. REPORTS TO SUPERINTENDENT

(REPEALED)

SECTION HISTORY

1975, c. 500, §1 (NEW). 2003, c. 322, §26 (RP).

§836. INSURANCE OF SHARES

1. Requirement. Every credit union authorized to do business in this State shall insure shares with the National Credit Union Administration or the successor to such federal agency.

[1997, c. 108, §12 (AMD) .]

2. Transition period.

[2003, c. 322, §27 (RP) .]

3. Failure to obtain insurance.

[2003, c. 322, §28 (RP) .]

4. Applicable law. A credit union insured pursuant to subsection 1 shall have the power and duty to comply with all statutes and regulations governing insurance of shares by the National Credit Union Administration; provided that nothing contained in this section shall be construed as repealing, modifying or impairing any powers, duties, rights or responsibilities of the superintendent, or of the credit union so insured, under the provisions of this Title.

[1975, c. 500, §1 (NEW) .]

SECTION HISTORY

1975, c. 500, §1 (NEW). RR 1997, c. 2, §37 (COR). 1997, c. 108, §12 (AMD). 2003, c. 322, §§27,28 (AMD).

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